

[[END CONFIDENTIAL]]

As described in more detail *infra*, Verizon acted unjustly and unreasonably by attempting to prevent CenturyLink from disputing overcharges within a reasonable time and by invoking an untenable reading of the agreements and the tariffs.

II. VERIZON'S PRACTICES OF OVERCHARGING AND OF HINDERING CENTURYLINK'S ABILITY TO DISPUTE OVERCHARGES ARE UNJUST AND UNREASONABLE UNDER SECTION 201(B) OF THE ACT.

Under Section 201(b) of the Act, carriers' practices in providing services must be "just and reasonable."²⁶ What constitutes a violation of Section 201(b) varies by nature of the unjust or unreasonable practice, at times involving a specific violation of the Act and at times involving general considerations of fairness.²⁷ The Commission has "broad authority over unjust and unreasonable practices for and in connection with communication services."²⁸ In enacting Section 201(b), "Congress did not enumerate or otherwise limit the specific practices to which

²⁶ 47 U.S.C. § 201(b) (2017).

²⁷ See, e.g., Earthlink, Inc. v. SBC Commc'ns Inc., 31 FCC Rcd. 4311, 4326 (2016) (acknowledging the general reasonableness standards contained in Sections 201(b) and 202(a) of the Act).

²⁸ In re Bus. Disc. Plan, Inc., 15 FCC Red. 24396, 24399, ¶ 8 (2000) (internal quotation marks omitted).

this provision applies" and instead granted the Commission "general authority to address such practices as they might arise in a changing telecommunications marketplace."²⁹

In other words, the FCC may bring enforcement actions for violations of the Act or in cases even where a complainant has not alleged violations of specific statutes or regulations.³⁰ The FCC applies a general standard of transparency and fairness in billing practices;³¹ as such, the FCC has determined that unjust and unreasonable practices can take a number of forms, including billing customers for unauthorized charges and charging amounts that conflict with the mutually understood scope of a contract.³² Given Verizon's charges in excess of the tariffed rates and its actions to frustrate CenturyLink's ability to dispute these overcharges, Verizon's acts and practices in this case are unjust and unreasonable.³³

²⁹ *Id*.

³⁰ See, e.g., In re Preferred Long Distance, Inc., 30 FCC Rcd. 13711, 13715 (2015) ("Section 201(b) prohibits carriers from engaging in unjust or unreasonable practices, whether pursuant to regulations or case-by-case adjudication.").

³¹ In re Petition for Declaratory Ruling on Issues Contained in Count I of White v. GTE, 16 FCC Rcd 11558, 11562-63 (2001) ("If a carrier employs unreasonable practices, the carrier may be found to be in violation of Section 201(b) . . . even if the rates and rate structures themselves are not unreasonable.").

³² In re Bell Atlantic-Delaware, Inc., 15 FCC Rcd. 20665, 20665-66 (2000).

³³ In re Matter of Advantage Telecomms. Corp., 28 FCC Rcd. 6843 (2013) (finding that telecommunications corporation violated § 201(b) by placing unauthorized charges on bills); In re Petition for Declaratory Ruling on Issues Contained in Count I of White, 16 FCC Rcd. at 11562-63 ("Section 201... prohibit[s] deceptive practices that constitute unjust or unreasonable practices. If a carrier employs unreasonable practices, the carrier may be found to be in violation of Section 201(b) ... even if the rates and rate structures themselves are not unreasonable.").

A. Verizon's Overcharges in Violation of Section 203(c) of the Act Are Unjust and Unreasonable.

The requirements of Section 203 that common carriers file their rates with the Commission and charge only the filed rate are the centerpiece of the Act's regulatory scheme.³⁴ The filing of tariffs serves as a mechanism by which the FCC assures compliance with the "just and reasonable" standard set forth in Sections 201.³⁵ For this reason, a failure of a carrier to charge for services at the tariffed rate is also an unjust and unreasonable practice.³⁶

Verizon was responsible for correct and accurate billing.³⁷ Instead, Verizon overcharged CenturyLink, and failed to remediate its errors when CenturyLink brought them to Verizon's attention, thus receiving a greater compensation than was contemplated by the tariffs—an unjust and unreasonable practice. Specifically, Verizon failed in its obligations under the tariffs by: (1) over-counting equivalents for DS3 CLF units;³⁸ (2) including units without USOCs in the quarterly credit calculations;³⁹ (3) double-counting meet-point circuits;⁴⁰ (4) misdesignating DS3

³⁴ MCI Telecomms. Corp. v. AT&T Co., 512 U.S. 218, 220 (1994).

³⁵ See Boomer v. AT&T Corp., 309 F.3d 404, 421 (7th Cir. 2002) (citing MCI Telecomms Corp., 512 U.S. at 220).

³⁶ Cf. Glob. Crossing Telecomms., Inc. v. Metrophones Telecomms., Inc., 550 U.S. 45, 54 (2007) (recognizing that a carrier's failure to provide services listed in FCC-approved tariff is a violation of § 201(b)); Farmers and Merchants Mutual Tel. Co. of Wayland, Iowa v. F.C.C., 668 F.3d 714, 721 (D.C. Cir. 2011) (charges in excess of prescribed rate-of-return for switched access rates in access tariffs violated § 201(b)).

³⁷ See Ex. 14, Verizon FCC Tariff No. 1 § 21, Option 57(H)(1) ("The Telephone Company shall determine on a Quarterly basis the Billed Qualifying Service Revenue and Billed Qualifying Service Units for each Qualifying Service."); Ex. 15, Verizon FCC Tariff No. 11 § 32, Option 55(H)(1); Ex. 16, Verizon FCC Tariff No. 14 § 21, Option 29(H)(1); Ex. 17, Verizon FCC Tariff No. 1 § 21, Option 65(A), (G); Ex. 18, Verizon FCC Tariff No. 11 § 32, Option 65(A), (G); Ex. 19, Verizon FCC Tariff No. 14 § 21, Option 34(G).

³⁸ See Formal Complaint ¶¶ 36, 40-47.

³⁹ See Formal Complaint $\P\P$ 36, 48-51.

 $^{^{40}}$ See Formal Complaint ¶¶ 36, 52-56.

CLF units;⁴¹ (5) misdesignating DS0 circuits as DS1 units;⁴² and (6) failing to optimize circuit routing, all in violation of the tariffs.⁴³

Verizon's failure to optimize was unjust and unreasonable in two different respects. Under the tariffs, Verizon was required to route CenturyLink's "dedicated circuits over the Telephone Company Special Access Network . . . to maximize network efficiencies and to optimize economic efficiencies." It is clear that CenturyLink had no responsibility for routing. Indeed, CenturyLink was prohibited from optimizing the circuits it used. 46

By inefficiently routing CenturyLink's DS1 circuits over multiple, partially used DS3s, Verizon failed to "maximize network efficiencies" contrary to the tariff language—an unjust and unreasonable practice.⁴⁷ Further, Verizon failed to "optimize economic efficiencies" when it added empty and partially used DS3s to CenturyLink's bill, and then charged CenturyLink for these circuits after the FMS arrangement expired—a second unjust and unreasonable practice.⁴⁸

B. Verizon's Failure to Allow CenturyLink to Dispute Overcharges Within a Reasonable Time Is an Unjust and Unreasonable Practice.

As discussed below, Verizon unjustly and unreasonably obstructed CenturyLink's ability to dispute Verizon's calculations of the credits by [[BEGIN CONFIDENTIAL]]

⁴¹ See Formal Complaint, ¶¶ 36, 57-59.

⁴² See Formal Complaint, ¶¶ 36, 60-63.

⁴³ See Formal Complaint, ¶¶ 36, 64-69.

⁴⁴ Ex. 22, Verizon FCC Tariff No. 1, Section 7.2.13(A).

⁴⁵ Ex. 22, Verizon FCC Tariff No. 1, Section 7.2.13(C) ("The Telephone Company will engineer the service from the FMS entrance facility of the customer's designated primary premises to the Wire Center associated with the secondary premises over its own Special Access network.").

⁴⁶ *Id.* ("The channel routing to the serving wire center, DSR node or Hub, as applicable, may not be designated by the customer...").

⁴⁷ See Formal Complaint, ¶¶ 36, 64-69.

⁴⁸ *Id*.

[[END CONFIDENTIAL]] (2) providing insufficient information from which CenturyLink could become aware of a billing error; and (3) holding CenturyLink to an unreasonably short time period to dispute the credits. This practice of obstruction prevented CenturyLink from exercising its rights and obtaining the proper rates under the tariffs. Finally, any argument that the tariffs prohibited CenturyLink from disputing Verizon's credit calculations fails.

- 1. Verizon's Billing and Credit Dispute Practices Are Unjust and Unreasonable.
 - a. Verizon's Billing and Credit Dispute Practices Violate Considerations of Fairness Embodied in the Act.

Considerations of fairness and customer equity are important in determining whether a carrier's practices are just and reasonable.⁴⁹ Verizon violated these principles when it failed to undertake a proper review of CenturyLink's claims despite receiving notice and proper documentation, [[BEGIN CONFIDENTIAL]]

[[END CONFIDENTIAL]] despite being repeatedly placed on notice of the errors.

Verizon failed to undertake a proper review of CenturyLink's claims. CenturyLink documented numerous errors in the credit calculations over the course of four years. However, Verizon either [[BEGIN CONFIDENTIAL]]

⁴⁹ See In re RCA American Commc'ns, Inc. Revisions to Tariff FCC Nos. 1 & 2, 94 F.C.C.2d 1338, 1340 (1983), aff'd RCA Am. Commc'ns, Inc. v. F.C.C., 731 F.2d 996 (D.C. Cir. 1984) (Table).

⁵⁰ *See* Brown Decl. ¶¶ 33-129.

[[END CONFIDENTIAL]] Only after being served with CenturyLink's Informal Complaint did Verizon, apparently for the first time, engage in a substantive review of CenturyLink's claims. Unsurprisingly, Verizon then discovered multiple errors in its credit calculations. Although these admitted billing errors do not encompass the full extent of CenturyLink's claims, they show that Verizon repeatedly failed to investigate CenturyLink's claims and thus failed to timely comply with the relevant dispute resolution requirements in [[BEGIN CONFIDENTIAL]] [[END CONFIDENTIAL]] its own tariffs. In short, rather than undertake a good-faith contemporaneous review of CenturyLink's disputes and supporting material, which would have identified at least some of CenturyLink's claimed overcharges (as Verizon has acknowledged), Verizon instead [[BEGIN CONFIDENTIAL]]

CONFIDENTIAL]] This is an unjust and unreasonable practice.

Verizon also had knowledge that CenturyLink was disputing Verizon's treatment or inclusion of specific circuits, but failed to remedy this in future calculations for subsequent quarters. In many instances, CenturyLink had previously disputed the exact same circuit in the same circumstances. Yet despite those numerous disputes giving clear and repeated notice of the issue, [[BEGIN CONFIDENTIAL]]

[[END CONFIDENTIAL]] and refused to investigate its ongoing errors and

⁵¹ *Id*.

⁵² Verizon Response to Informal Complaint, at 13.

⁵³ See, e.g., Brown Decl. ¶ 84; CenturyLink Reply, at 6 (noting that CenturyLink disputed the same circuit miscount example across multiple quarters).

breaches. ⁵⁴ In other words, under Verizon's reading of the contract [[BEGIN
CONFIDENTIAL]]
[[BEGIN CONFIDENTIAL]] Verizon
effectively had no obligation to ever remedy its chronic overcharges. For Verizon to argue that
CenturyLink had to meet a second, third, or fourth instance [[BEGIN CONFIDENTIAL]]
[[END CONFIDENTIAL]] when it was on notice months prior is an
unjust and unreasonable practice, and demonstrates how [[BEGIN CONFIDENTIAL]]
[[END CONFIDENTIAL]]
In total, the practices described above are indisputably unjust and unreasonable, and
Verizon should be required to remit to CenturyLink all overcharges that Verizon has
impermissibly withheld.
b. Verizon Is Precluded from [[BEGIN CONFIDENTIAL]]
As discussed in the following sections, [[BEGIN CONFIDENTIAL]]
[[END
CONFIDENTIAL]] Even if they purported to do so, Verizon's conduct precludes it from
restricting CenturyLink's claims in that way, and such an argument is at odds with the purpose
behind Section 415. If one party's conduct causes the other party to miss a contractual
limitations deadline, waiver or estoppel may prevent the first party from invoking the limitations
⁵⁴ <i>Id</i> .

provision as a defense. ⁵⁵ Verizon is estopped from arguing that CenturyLink cannot [[BEGIN
CONFIDENTIAL]]
[[END
CONFIDENTIAL]]
In those instances in which Verizon did react to CenturyLink's submitted disputes,
[[BEGIN CONFIDENTIAL]]
⁵⁵ See, e.g., Heimeshoff v. Hartford Life & Acc. Ins. Co., 134 S.Ct. 604, 615 (2013); LaMantia v. Voluntary Plan Adm'rs, Inc., 401 F.3d 1114, 1119 (9th Cir. 2005) (acknowledging that if the service provider causes a customer to miss a contractual limitations period, waiver or estoppel may prevent the provider from invoking the limitations provision as a defense).
⁵⁶ We also note that CenturyLink received information sufficient to become aware of billing
discrepancies only after the quarter ended, [[BEGIN CONFIDENTIAL]]
[[END CONFIDENTIAL]] 57 G
⁵⁷ See, e.g., Brown Decl. ¶¶ 49-56; Ex. 52.02, Email from Bradley Rhotenberry (Verizon) to Anne Grimm (CenturyLink), RE: CenturyLink (Qwest) Custom Solution - PY3Q4 (Revised), dated May 25, 2017 [[BEGIN CONFIDENTIAL]]
TIEND CONFIDENTIAL II

[[END
CONFIDENTIAL]] At all times, Verizon retained all the information necessary to review and
correct its billing errors, and to ensure that they did not continue to occur.
[[BEGIN CONFIDENTIAL]]
[[END CONFIDENTIAL]] Verizon appears to have engaged in strategic delaying
tactics. In contrast, CenturyLink sought to vindicate its interest in accurate billing by pursuing
challenges to Verizon's overcharges on multiple occasions, [[BEGIN CONFIDENTIAL]]
[[END CONFIDENTIAL]]

⁵⁸ Formal Complaint, Section I.C.7(a)

⁵⁹ *Id*.

⁶⁰ See Section I.C.2, supra.

2. [BEGIN CONFIDENTIAL]]
. [[END CONFIDENTIAL]]
That the above practices are unjust and unreasonable is made all the more clear through a
consideration [[BEGIN CONFIDENTIAL]]
[[END CONFIDENTIAL]]
The 2009 and 2014 Service Agreements [[BEGIN CONFIDENTIAL]]
CONFIDENTIAL]] These service agreements were then filed as contract tariffs. [[BEGIN
CONFIDENTIAL]]

⁶¹ Ex. 2, Attachment 11 to the MSA; Ex. 4, Attachment 13 to the MSA.



⁶² Ex. 2, Attachment 11, Section 15 (emphasis added), *see also* Ex. 4, Attachment 13, Section 9.4.

⁶³ See Brown Decl. ¶¶ 35, 40, 42-43, 46-47, 58-59, 64-65, 69-70, 74-75, 79-80, 85-86, 94, 98, 103, 109, 114, 119 (documenting emails from Verizon containing the quarterly credit reports).

⁶⁴ Ex. 4, Attachment 13, Section 9.2. Qualifying Service Revenues is defined in Section 3.27 of Attachment 13 to include "VZT Special Access Services," which is in turn defined in Section 3.46 as "Special Access DS1 Services, Special Access DS3 Services, and Special Access Facilities Management Services".

[[END
CONFIDENTIAL]]
Although Verizon has previously relied on a narrow reading of Section (H) of Verizon
FCC Tariff No. 1 § 21, Option 57 and similar provisions [[BEGIN CONFIDENTIAL]]

⁶⁵ Ex. 4., Attachment 13, at Section 9.2.

⁶⁶ Ex. 1, MSA § 11.3.

⁶⁷ *Id.* (emphasis added).

⁶⁸ Ex. 3, 2009 Service Agreement § 7(e)(v) (emphasis added); *see also* Ex. 14, Verizon FCC Tariff No. 1 § 21, Option 57(H)(5)(e). As noted above, this language was repeated in the other

tariff options filed with the Commission: Ex. 15, Verizon Tariff No. 11 § 32, Option 55, and Ex. 16, Verizon Tariff No. 14 § 21, Option 29.

^{69 [[}BEGIN CONFIDENTIAL]] [[END CONFIDENTIAL]]

⁷⁰ Consequently, tariff doctrine cases discussing the enforcement of provisions in addition to rate provisions are supportive of the contract tariff language similarly evincing more flexibility than Verizon's narrow reading of the dispute period. *See* Order, *Richman Bros. Records, Inc. v. U.S. Sprint Commc'ns Co.*, 10 FCC Rcd. 13639, ¶ 12 (1995).

	[[END CONFIDENTIAL]] CenturyLink should receive the
correct sums called fo	r by the contract tariffs regardless of whether Verizon included them in the
"Billing Credits." ⁷¹ []	BEGIN CONFIDENTIAL]]
[[END CONFIDENT	[IAL]] CenturyLink's challenges to Verizon's violations of the contracts
and tariffs, [[BEGIN	CONFIDENTIAL]]
	[[END
CONFIDENTIAL]]	
3.	Verizon Held CenturyLink to an Unreasonably Short Time to Dispute Overcharges.
[[BEGIN CO	NFIDENTIAL]]
-	[[END CONFIDENTIAL]]
Verizon's billing prac	etices are also unreasonable in light of the purposes of Section 415 of the
Act. Section 415(c) p	provides:
	of overcharges action at law shall be begun or complaint filed with

the Commission against carriers within two years from the time the cause of action accrues, and not after, subject to subsection (d) of this section, except that if claim for the overcharge has been presented in writing to the carrier within the two-year period of limitation said period shall be extended to include two years

⁷¹ Ex. 3, 2009 Service Agreement, Ex. B § 7(e)(v).

⁷² Ex. 5, 2014 Service Agreement, Ex. B § 8(g).

from the time notice in writing is given by the carrier to the claimant of disallowance of the claim, or any part or parts thereof, specified in the notice.⁷³

The purpose of Section 415 is to ensure a reasonable period in which to seek relief from overcharges.⁷⁴ The Commission has explained that the "period specified in the Act <u>evinces a Congressional belief that customers should have a reasonable period in which to seek relief from overcharges ..."⁷⁵ In discussing the legislative history of an amendment lengthening the Section 415(c) limitations period from one to two years, the Commission further observed that:</u>

The reason Congress extended the time limit was to allow customers more time to scrutinize their bills in order to discover possible overcharges. ... Congress stated that it wished to encourage refunds and that the extension of the statute of limitations "will serve this end." H.R. Report No. 93–1421, 93rd Cong., 2d Sess. 6311 (1974).⁷⁶

These policy considerations are particularly important in light of the unique circumstances here, [[BEGIN CONFIDENTIAL]]

[[END CONFIDENTIAL]]

Contrary to Verizon's claims that CenturyLink's disputes are time-barred, CenturyLink sought relief from overcharges within a reasonable period, and well within the dispute-submission time frame in Section 415(c). By failing to consider these claims in a timely and substantive way

[[BEGIN CONFIDENTIAL]]

⁷³ 47 U.S.C. § 415(c).

 $^{^{74}}$ See In re AT&T Petition to Rectify Terms & Conditions of 1985 Annual Access Tariffs, 3 FCC Rcd. 5071, 5073, \P 19 (1988) n.50 (1988).

⁷⁵ *Id.* (emphasis added).

⁷⁶ In re Am. Network, Inc. Petition for Declaratory Ruling Concerning Backbilling of Access Charges, 4 FCC Rcd. 8797, 8798, ¶ 8 (1989) (CCB) (order denying reconsideration).

[[END CONFIDENTIAL]] Verizon's conduct here goes against the essence of Section 415(c) and should be found to be unreasonable. In light of Verizon's failure to provide necessary information, [[BEGIN CONFIDENTIAL]] [[END CONFIDENTIAL]] billing cycle does not provide enough time "to inspect, verify, and pay voluminous access bills." The "responsibility for an access billing error lies with the LEC" and thus, a carrier "may not insulate itself from the consequences of its error by shifting to the customer the task of detecting overcharges within an unreasonably short time frame." [BEGIN CONFIDENTIAL]]

[[END CONFIDENTIAL]]

The circumstances at issue here are unlike those of matters that do not involve overcharges, *e.g.*, matters involve a breaching party attempting to evade a provision that was central to the cost structure of the agreement such as early termination fees or a specific quid pro quo.⁷⁹ In those circumstances, the Commission may decline to modify the contract to allow one party relief contrary to the clear quid pro quo evidenced by the parties' course of dealing.

Contrary to the facts in *Ryder Communications v. AT&T Corp.*, where a complainant conceded

⁷⁷ In re AT&T Petition to Rectify Terms & Conditions of 1985 Annual Access Tariffs, 3 FCC Rcd. at 5073, ¶ 19. Mirroring the circumstances here, the Commission found persuasive commenters' claims that it is "virtually impossible to verify billing errors within this limited time frame, particularly when additional data within the LECs' control are required in order to make such determinations." *Id.* (emphasis added).

⁷⁸ *Id.* (emphasis added).

⁷⁹ Ryder Commc'ns v. AT&T Corp., 18 FCC Rcd. 13603, ¶¶ 4-5, 24 (2003) (Memorandum Opinion & Order).

that its contracts, as written, precluded its claims and requested that the Commission reform the
contracts in order to get around "the allegedly harsh results of the parties' deal," CenturyLink is
not invoking the Sierra-Mobile doctrine to resurrect a barred claim. 80 To be clear, CenturyLink
is not seeking to modify the agreements or contract tariffs, but rather requests that the
Commission enforce the Parties' agreements and the tariffs [[BEGIN CONFIDENTIAL]]
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In Ryder, the Commission rested its decision to deny the formal complaint "on the
principle that where two parties, through valid contracts, have clearly allocated the risk of certain
events, it is not unjust and unreasonable under section 201(b) for one party to hold the other
party to this contractual allocation."81 Here, there is no apportioned risk that CenturyLink
assumed and is now seeking to escape. Verizon is the party that stands in violation of the
agreements and contract tariffs in the first instance. [[BEGIN CONFIDENTIAL]]

⁸⁰ Id., ¶ 24; see IDB Mobile Commc'ns, Inc. v. COMSAT Corp., 16 FCC Rcd. 11474, 11480, ¶¶ 14-16 (2001) (Memorandum Opinion and Order) (articulating the Sierra-Mobile doctrine).
81 18 FCC Rcd. 13603, ¶ 1.

[[END	
CONFIDENTIAL]] ⁸² Verizon thus engaged in actions inconsistent with the contractual dis	sput
resolution processes, and should not be permitted to benefit from those actions.	
As demonstrated by Verizon's conduct, including its unreasonable tariff interpretatio	ns
and billing practices, [[BEGIN CONFIDENTIAL]]	
[[END CONFIDENTIAL]] Moreover, rather than undertake that analysis either initially or	
upon inquiries by CenturyLink, Verizon instead used its billing practices as a weapon and	
repeatedly refused to release undisputed amounts whenever CenturyLink raised genuine issue	es
with Verizon's errors and overcharges. Rather than undertake a good faith contemporaneous	3
review of CenturyLink's disputes and supporting material, which would have identified the	
overcharges Verizon now acknowledges, among others, [[BEGIN CONFIDENTIAL]]	
[[END CONFIDENTIAL]] Those practices were and remain unjust an	ıd
unreasonable, and Verizon should be required to cease those practices as well as remit to	
CenturyLink all the overcharges that Verizon has impermissibly withheld.	

⁸² Ex. 40.23, Response to Dispute Notice Letter from David Szol (Verizon) to Patrick Welch (Centurylink), dated May 31, 2016.

C. Verizon's Coercive Withholding of Undisputed Amounts Is an Unjust and Unreasonable Practice Under Section 201(b).

Verizon unjustly and unreasonably [[BEGIN CONFIDENTIAL]] [[END CONFIDENTIAL]] coercive measure to bully CenturyLink into "concurring" with Verizon's calculations and drop its disputes. The Act prohibits carriers from coercing customers to agree to terms, rates, or services. Because carriers occupy a position of privilege with respect to their customers (having control over both the circuits and billing), they can easily abuse their power to induce customers into paying rates, purchasing additional services, or compelling customers to agree to improper or unwanted services, equipment, or bills. A carrier cannot withhold credits and discounts after customers disputed their bills, and such a practice is a violation of Section 201(b).⁸³ For example, in NOS Commen's, Inc., the FCC found a carrier's practice of misleading customers and then ignoring or prohibiting billing disputes to be unjust and unreasonable.⁸⁴ In this case, Verizon was obligated to [[BEGIN CONFIDENTIAL]] [[END CONFIDENTIAL]] If CenturyLink expressed any hint of disagreement, Verizon refused to release [[BEGIN CONFIDENTIAL]] [[END CONFIDENTIAL]] This clear coercion was intended to compel CenturyLink

⁸³ In re NOS Comme'ns, Inc., 16 FCC Red. 8133, 8135 (2001).

⁸⁴ *Id*.

^{85 2009} Service Agreement, Ex. B § 7(g); 2014 Agreement, Ex. B § 7(d).

into withdrawing its claims of billing and credit errors, ⁸⁶ although CenturyLink never relinquished its claims. For these reasons, Verizon engaged in unjust and unreasonable acts in violation of the agreements, the tariffs and Section 201(b), and purposefully frustrated CenturyLink's ability to lodge billing disputes by [[BEGIN CONFIDENTIAL]]

[[END CONFIDENTIAL]] CenturyLink when

CenturyLink challenges Verizon's [[BEGIN CONFIDENTIAL]]

[[END CONFIDENTIAL]]

CONCLUSION

For the above reasons, CenturyLink respectfully requests that the Commission find Verizon's practices in violation of Sections 201(b) and 203(c) of the Act, and order Verizon to remit all sums due as a result of those violations.

Dated: February 26, 2018

Respectfully submitted;

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⁸⁶ *Id*.

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Attorneys for CenturyLink Communications, LLC

Tab B

Before the Federal Communications Commission Washington, DC 20554

In the Matter of)	
CenturyLink Communications, LLC)	
f/k/a Qwest Communications Company,)	
LLC,)	
Complainant,))	Docket No. 18-33 File No. EB-16-MDIC-0015
V.	Ś	THE TWO ED TO WIDTE UNITS
)	
Verizon Services Corp.; Verizon)	
Virginia LLC; Verizon Washington,)	
D.C., Inc.; Verizon Maryland LLC;)	
Verizon Delaware LLC; Verizon)	
Pennsylvania LLC; Verizon New Jersey	Ć	
Inc.; Verizon New York Inc.; Verizon)	
New England Inc.; Verizon North LLC;)	
Verizon South Inc.,)	
)	
Defendants.)	

SUMMARY OF GOVERNING AGREEMENTS

I. AGREEMENT STRUCTURE

1. The discount plan at issue between the parties is governed by a 2006 Master Services Agreement ("MSA"), a number of amendments and attachments thereto, interrelated service agreements, and related Verizon tariffs. The overall relationship is governed by the

¹ For reference, the relevant contracts are: (1) the 2006 Master Services Agreement ("MSA") (attached as Ex. 1; previously filed as Appendix 12 to CenturyLink's Reply, File No. EB-16-MDIC-0015 (November 18, 2016)); (2) Amended and Restated Attachment 2 to the MSA, as further amended (attached as Ex. 6); (3) Attachment 11 to the MSA (attached as Ex. 2; previously filed as Appendix 13 to CenturyLink's Reply, File No. EB-16-MDIC-0015, (November 18, 2016)); (4) 2009 Service Agreement (attached as Ex. 3; previously filed as

MSA, currently in effect as amended. ² The MSA is composed of its terms, attachments thereto,
and Verizon's applicable tariffs. ³ Under it, Verizon provided services as more particularly
described in Attachment 2 to the MSA ("Attachment 2") as restated and amended. ⁴ [[BEGIN
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6
[[END CONFIDENTIAL]]
2. Attachment 2 [[BEGIN CONFIDENTIAL
⁷ [[END
CONFIDENTIAL]] Attachment 2 was intertwined with the agreements, and provided [[BEGIN

Appendix 2 to Verizon's Response, File No. EB-16-MDIC-0015 (August 3, 2016)); (5) Attachment 13 to the MSA (attached as Ex. 5; previously filed as Appendix 14 to CenturyLink's Reply, File No. EB-16-MDIC-0015 (November 18, 2016)); and (6) the 2014 Service Agreement (attached as Ex. 5; previously filed as Appendix 1 to Verizon's Response, File No. EB-16-MDIC-0015 (August 3, 2016)). [[BEGIN CONFIDENTIAL]]

[[END CONFIDENTIAL]], as a contract tariff at Tariff No. 1, § 21, Option 57; Tariff No. 11 § 32, Option 55; and Tariff No. 14 § 21, Option 29. [[BEGIN

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I[END CONFIDENTIAL]], as Tariff No. 1 § 21, Option 65; Tariff No. 11 § 32, Option 65; and Tariff No. 14 § 21, Option 34.

² Ex. 1, MSA § 5.1.

³ Ex. 1, MSA § 1.

⁴ Id.; Ex. 6, Amended and Restated Attachment 2 to the MSA (May 6, 2009).

⁵ *Id*.

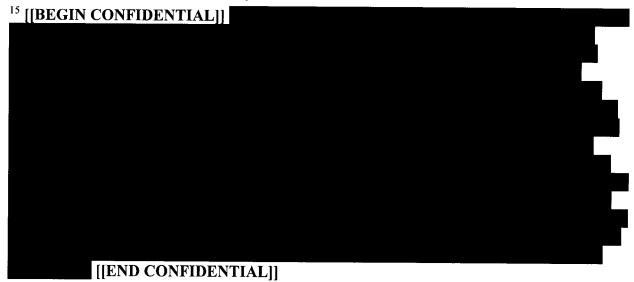
⁶ Ex. 1, MSA § 11.3.

⁷ See Ex. 13, Twelfth Amendment to Attachment 2. The parties executed an Amended and Restated Attachment 2 (Ex. 6) on May 6, 2009, as the restated product schedule for the parties' agreements, and subsequently amended this document several times.

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8 [[END CONFIDENTIAL]]
3. The 2009 Service Agreement [[BEGIN CONFIDENTIAL]]
[[END CONFIDENTIAL]]: Verizon FCC Tariff No. 1 (Section 21, Option 57), Verizon FCC
Tariff No. 11 (Section 32, Option 55) and Verizon FCC Tariff No. 14 (Section 21, Option 29),
and it relied on other parts of Verizon's FCC Tariff Nos. 1, 11, 14, and 16 as applicable. 10
[[BEGIN CONFIDENTIAL]]
11
4.
⁸ See Ex. 11, Sixth Amendment to Attachment 2, §§ 2, 4(k). [[BEGIN CONFIDENTIAL]]
[[END CONFIDENTIAL]] See id. § 5; Ex. 4, Attachment 13,
§ 6. [[BEGIN CONFIDENTIAL]]
[[END CONFIDENTIAL]] See Ex. 11, Sixth Amendment to Attachment 2, § 6.
⁹ Ex. 3, 2009 Service Agreement, Ex. B §§ 2, 4.
¹⁰ <i>Id.</i> §§ 1, 3.
¹¹ Id. § 3(a); see also id. § 6(h).
¹² <i>Id.</i> , Ex. B § 7.

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5.		_				-	
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<u>.</u>							

 $^{^{14}}$ Ex. 2, Attachment 11 to the MSA \S 1.



 16 See Ex. 2, Attachment 11 to the MSA \S 15.

¹³ *Id*.

	17 [[ENI
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6.	Prior to the expiration of the 2009 Service Agreement, the parties executed the
2014 Service	Agreement, [[BEGIN CONFIDENTIAL]]
[[END CON	FIDENTIAL]] Similar to the 2009 Service Agreement, [[BEGIN
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	[[END CONFIDENTIAL]]: Verizon
Tariff No. 1 ((Section 21, Option 65), Verizon Tariff No. 11 (Section 32, Option 65) and Tariff
No. 14 (Secti	on 21, Option 34), as well as other parts of Verizon's Tariff Nos. 1, 11, 14, and 16
as applicable	. 19 [[BEGIN CONFIDENTIAL]]
	²⁰ [[END CONFIDENTIAL]]
7.	In particular, the 2014 Service Agreement [[BEGIN CONFIDENTIAL]]

¹⁷ *Id*.

¹⁸ See id. Exhibit B, Section 4 (Service Period); see also Section 2(w).

 $^{^{19}}$ See Ex. 5, 2014 Service Agreement §§ 1, 3(a); see also id. Exhibit B § 3.

²⁰ Ex. 5, 2014 Agreement, §§ 3(a) & 6(h); see also 2009 Agreement §§ 3(a), 6(h).

[BEGIN CONFIDENTIAL]] 1 See Ex. 5, 2014 Service Agreement, Exhibit B § 7 & Tables 1-2. 2 See Ex. 5, 2014 Service Agreement § 7(h). 3 See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]	8. Similar to Attachment 11 to the MSA's role with respect to the 2009 Service Agreement, Attachment 13 to the MSA was the companion to the 2014 Service Agreement, [BEGIN CONFIDENTIAL]] 1 See Ex. 5, 2014 Service Agreement, Exhibit B § 7 & Tables 1-2. 2 See Ex. 5, 2014 Service Agreement § 7(h). 3 See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]	8. Similar to Attachment 11 to the MSA's role with respect to the 2009 Service Agreement, Attachment 13 to the MSA was the companion to the 2014 Service Agreement, [BEGIN CONFIDENTIAL]] 1 See Ex. 5, 2014 Service Agreement, Exhibit B § 7 & Tables 1-2. 2 See Ex. 5, 2014 Service Agreement § 7(h). 3 See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]		
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[BEGIN CONFIDENTIAL]] 1 See Ex. 5, 2014 Service Agreement, Exhibit B § 7 & Tables 1-2. 2 See Ex. 5, 2014 Service Agreement § 7(h). 3 See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]	[BEGIN CONFIDENTIAL]] See Ex. 5, 2014 Service Agreement, Exhibit B § 7 & Tables 1-2. See Ex. 5, 2014 Service Agreement § 7(h). See Ex. 4, Attachment 13 to the MSA, § 2. [BEGIN CONFIDENTIAL]	[BEGIN CONFIDENTIAL]] 1 See Ex. 5, 2014 Service Agreement, Exhibit B § 7 & Tables 1-2. 2 See Ex. 5, 2014 Service Agreement § 7(h). 3 See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]		
¹ See Ex. 5, 2014 Service Agreement, Exhibit B § 7 & Tables 1-2. ² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL [[END CONFIDENTIAL]]]	See Ex. 5, 2014 Service Agreement, Exhibit B § 7 & Tables 1-2. See Ex. 5, 2014 Service Agreement § 7(h). See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]	¹ See Ex. 5, 2014 Service Agreement, Exhibit B § 7 & Tables 1-2. ² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL [[END CONFIDENTIAL]]]	Agreement, Attachment 13 to the MSA was the companion to the 2014 Se	rvice Agreement,
² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]	² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]	² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]	[BEGIN CONFIDENTIAL]]	
² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]	² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]	² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]		
² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]	² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]	² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]		
² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]	² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]	² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]		
² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]	² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]	² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]		
² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]	² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]	² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]		
² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]	² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]	² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]		
See Ex. 5, 2014 Service Agreement § 7(h). See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]	See Ex. 5, 2014 Service Agreement § 7(h). See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]	See Ex. 5, 2014 Service Agreement § 7(h). See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]		
² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]	² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]	² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]		
² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]	² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]	² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]		
² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]	² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]	² See Ex. 5, 2014 Service Agreement § 7(h). ³ See Ex. 4, Attachment 13 to the MSA, § 2. [[BEGIN CONFIDENTIAL]]		
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[[END CONFIDENTIAL]]	[[END CONFIDENTIAL]]	[[END CONFIDENTIAL]]	² See Ex. 5, 2014 Service Agreement § 7(h).	
Ia., §§ 1, 2, 3.9. [[BEGIN CONFIDENTIAL]]	a., §§ 1, 2, 3.9. [BEGIN CONFIDENTIAL]]	a., §§ 1, 2, 3.9. [BEGIN CONFIDENTIAL]]		
			1a., §§ 1, 2, 3.9. [[BEGIN CONFIDENTIAL]]	
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		.26 [[END CONFIDENTIAL]]
II.		GIN CONFIDENTIAL]] [[END FIDENTIAL]]
	9.	As noted above, the 2009 and 2014 Service Agreements were interwoven with
two A	ttachme	ents (Nos. 11 and 13, respectively) to the 2006 MSA between the parties. ²⁷
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 $^{^{25}}$ See Ex. 4, Attachment 13 to the MSA \S 9.4.

²⁶ *Id*.

²⁷ Ex. 4, Attachment 13, at 1; see also Ex. 2, Attachment 11, at 2 [[BEGIN CONFIDENTIAL]]

²⁸ Ex. 4, Attachment 13, § 9.4; see also Ex. 2, Attachment 11, § 15.

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Ex. 4, Attachment 13, § 9.4 [[BEGIN CONFIDENTIAL]]	
[[END CONFIDENTIAL]]	
Ex. 1, 2006 MSA § 11.3.	
See Ex. 14, Verizon FCC Tariff No. 1 § 21, Option 57(B)(16), (19); Ex. 14, Verizon FCC riff No. 1 § 21, Option 57(E).	2
See, e.g., Ex. 14, Verizon FCC Tariff No. 1 § 21, Option 57(E)(2), (3). [[BEGIN ONFIDENTIAL!]	

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13.				
			³⁸ [[END CON	[FIDENTIAL]]

[[END CONFIDENTIAL]]

³³ Ex. 14, Verizon FCC Tariff No. 1 § 21, Option 57(E)(2), (3).

³⁴ *Id*.

³⁵ Ex. 17, Verizon FCC Tariff No. 1 § 21, Option 65(B)(4), (5), (9), (10); Ex. 18, Verizon FCC Tariff No. 11 § 32, Option 65(B)(4), (5), (9), (10); Ex. 19, Verizon FCC Tariff No. 14 § 21, Option 34(B)(4), (5), (9), (10).

³⁶ See Ex. 17, Verizon FCC Tariff No. 1 § 21, Option 65(F); Ex. 18, Verizon FCC Tariff No. 11 § 32, Option 65(F); Verizon FCC Tariff No. 14 § 21, Option 34(F).

³⁷ See Formal Complaint, Sections I.C(1)-(2).

³⁸ *Id*.

Dated: February 26, 2018

Respectfully submitted,

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Brendon P. Fowler
Michael A. Sherling
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Adam.Sherr@CenturyLink.com

Attorneys for CenturyLink Communications, LLC

Tab C

Before the Federal Communications Commission Washington, DC 20554

In the Matter of)	
CenturyLink Communications, LLC f/k/a Qwest Communications Company, LLC,)))	
Complainant,	,	t No. 18-33 o. EB-16-MDIC-0015
v.)	
Vanizan Samiaga Cama, Vanizan)	
Verizon Services Corp.; Verizon Virginia LLC; Verizon Washington,)	
D.C., Inc.; Verizon Maryland LLC;)	
Verizon Delaware LLC; Verizon)	
Pennsylvania LLC; Verizon New Jersey)	
Inc.; Verizon New York Inc.; Verizon)	
New England Inc.; Verizon North LLC;)	
Verizon South Inc.,)	
)	
Defendants.)	

DECLARATION OF TIFFANY BROWN

- I, Tiffany Brown, of full age, hereby declare and certify as follows:
- 1. I currently serve as Vice President of Audit for Sage Management, Inc., a technology and audit firm, and as a Telecom Billing Subject Matter Expert, [[BEGIN

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[[END
CONFIDENTIAL]] I have helped various telecommunication providers recover more than \$1B
in overbillings on telecommunications invoices. My career, which spans twenty years, has
included positions at Winstar, TEOCO, and Sage Management.
2. [[BEGIN CONFIDENTIAL]]
3.
[[END CONFIDENTIAL]]

¹ See Ex. 2, Attachment 11 to the Master Services Agreement §§ 1, 3 (May 6, 2009); Ex. 4, Attachment 13 to the Master Services Agreement §§ 1, 3 (February 14, 2014).

4. In addition, I was involved in and am familiar with CenturyLink's eff	forts to
dispute these overcharges, including [[BEGIN CONFIDENTIAL]]	
[[END CONFIDENTIAL]]	
. [[BEGIN CONFIDENTIAL]] [[END CONFIDENTIAL]]	
5. The services that Verizon provided CenturyLink can be split into two	o time
periods: [[BEGIN CONFIDENTIAL]]	

² Ex. 14, Verizon Tariff No. 1 (Section 21, Option 57); Ex. 14, Verizon Tariff No. 11 (Section 32, Option 55); Ex. 16, Tariff No. 14 (Section 21, Option 29).

³ Ex. 17, Verizon Tariff No. 1 (Section 21, Option 65); Ex. 18, Verizon Tariff No. 11 (Section 32, Option 65); Ex. 19, Tariff No. 14 (Section 21, Option 34).

⁴ Ex. 3, 2009 Service Agreement, Ex. B, § 5(a).

⁵ Ex. 5, 2014 Service Agreement, Ex. B, §§ 2, 6.

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⁶ Welch Decl. ¶ 7.

⁷ Welch Decl. ¶ 8.

⁸ *Id*.

 $^{^9}$ See Ex. 14(H)(1)-(3); Ex. 15(H)(1)-(3); Ex. 16(H)(1)-(3); Ex. 17(G)(1)(a)-(f); Ex. 18(G)(1)(a)-(f); Ex. 19(G)(1)(a)-(f).

 $^{^{10}}$ See Welch Decl. \P 9; Ex. 14(H)(4); Ex. 15(H)(4); Ex. 16(H)(4); Ex. 17(G)(1)(g); Ex. 18(G)(1)(g); Ex. 19(G)(1)(g).

¹¹ See Ex. 14(B)(14), (16), (19); *id.*, at (E); Ex. 15(B)(14), (16), (19); *id.*, at (E); Ex. 16(B)(14), (16), (19); *id.*, at (E); Ex. 17(B)(4), (9), (10); *id.*, at (F); Ex. 18(B)(4), (9), (10); *id.*, at (F); Ex. 19(B)(4), (9), (10); *id.*, at (F).

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[[END CONFIDENTIAL]]

 $^{^{12}}$ Ex. 3, 2009 Service Agreement, Ex. B, § 2 and related tariffs; Ex. 5, 2014 Service Agreement, Ex. B § 2 and related tariffs.

^{13 [[}BEGIN CONFIDENTIAL]]

¹⁴ Ex. 14(E)(3); Ex. 15(E)(3); Ex. 16(E)(3); Ex. 17(B), (F); Ex. 18(B), (F); Ex. 19(B), (F).

		[[END CONFIDENTIAL]]
	Overview	w of CenturyLink's Disputes with Verizon
	9.	I reviewed the [[BEGIN CONFIDENTIAL]]
	[[EN]	D CONFIDENTIAL]] sent by Verizon to CenturyLink to determine whether
Cer	nturyLink	[[BEGIN CONFIDENTIAL]]
	[[EN	D CONFIDENTIAL]]
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				[[END	

¹⁶ See Welch Decl. ¶ 9.

¹⁷ *Id*.

CONFIDENTIAL]] Due to the incompleteness of the reports and data provided by Verizon, at
varying time intervals, CenturyLink was not able to discern all of the errors in Verizon's
[[BEGIN CONFIDENTIAL]]
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13. [[BEGIN CONFIDENTIAL]]
14.
[[END CONFIDENTIAL]]
15. I discerned six categories of errors perpetuated by Verizon. In each case, Verizon
violated [[BEGIN CONFIDENTIAL]] [[END CONFIDENTIAL]] and
related tariff provisions by failing to credit CenturyLink the proper amounts due. This meant
that CenturyLink was not receiving [[BEGIN CONFIDENTIAL]]
[[END CONFIDENTIAL]] Verizon's tariffed services.

	16.	Specifically, Verizon's practices violated the [[BEGIN CONFIDENTIAL]]
		[[END CONFIDENTIAL]] and tariffs, resulting in overcharges to
C	enturyLink	in six ways, by: 1) overcounting equivalents for DS3 CLF units in FMS LATAs; 2)
in	cluding uni	ts without USOCs in non-FMS LATAs; 3) double-counting meet-point circuits; 4)
m	nisdesignatir	ng DS3 CLF units; 5) misdesignating DS0 circuits as DS1 units; and 6) failing to
oj	ptimize circ	uit routing.
III.	<u>Calculati</u>	on of Billing Errors
	17.	Category 1: Verizon's DS3 CLF count incorrectly included DS3 CLF circuits in
<u>F</u>	MS LATAs	as "units" even though these circuits were not associated with Qualifying MRCs—
H	BEGIN CO	ONFIDENTIAL]]
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18	IIDECIN A	CONFIDENTIALII
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1	§ 21, Option	[[END CONFIDENTIAL]] See, e.g., Ex. 17, Verizon FCC Tariff No. 165(F).

19.	
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20.	Category 2: <u>Verizon included units without USOCs or MRCs in non-FMS</u>
LATAs. HB	EGIN CONFIDENTIAL
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¹⁹ See, e.g., E qualifying US	Ex. 14, Verizon FCC Tariff No. 1, § 21, Option 57(E)(2)(b) (listing the DS3 CLF

²⁰ Each chart contains a summary tab and a detail tab. The detail tab shows the **[[BEGIN**] **CONFIDENTIAL]]** [[END CONFIDENTIAL]] analysis that CenturyLink performed in order to determine Verizon's overcharges.

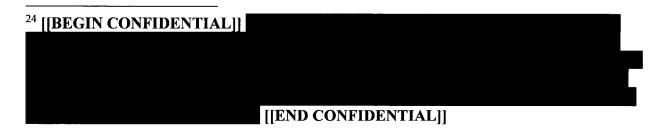
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21.			
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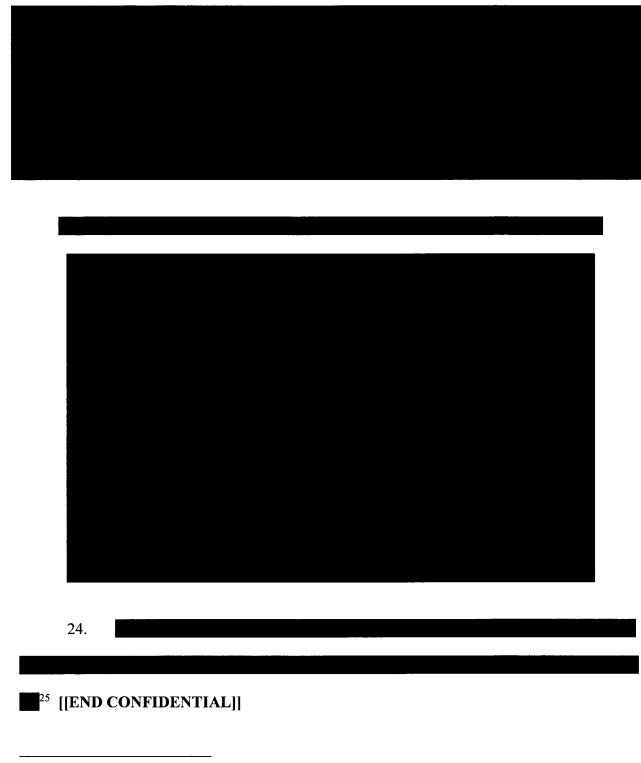
²¹ See footnotes 18 and 19 above.

²² See footnotes 18 and 19 above.

²³ See, e.g., Ex. 70, Verizon FCC Tariff No. 1, § 23.1(L) (describing rates and charges for SONET services).







²⁵ Each chart contains a summary tab and a detail tab. The detail tab shows the [[BEGIN CONFIDENTIAL]] [[END CONFIDENTIAL]] analysis that CenturyLink performed in order to determine Verizon's overcharges.

25. Category 3: Verizon double-counted "meet-point" circuits (circuits that span two
Verizon operating companies). [[BEGIN CONFIDENTIAL]]
[[END
CONFIDENTIAL]]
26. Category 4: <u>Verizon misdesignated DS3 CLF units as more expensive DS3 CLS</u>
units. [[BEGIN CONFIDENTIAL]]
²⁶ See Ex. 14(B)(16), (19); Ex. 15(B)(16), (19); Ex. 16(B)(16), (19); Ex. 17(B)(9), (10); Ex. 18(B)(9), (10); Ex. 19(B)(9), (10).
²⁷ Each chart contains a summary tab and a detail tab. The detail tab shows the [[BEGIN CONFIDENTIAL]] [[END CONFIDENTIAL]] analysis that CenturyLink performed in order to determine Verizon's overcharges.

³⁰ [[END CONFIDENTIAL]]
27. Category 5: <u>Verizon misdesignated DS0 circuits as more expensive DS1 Units.</u>
[[BEGIN CONFIDENTIAL]]

²⁸ See, e.g., Ex. 17(B)(19), (20); Ex. 18(B)(19), (20); Ex. 19(B)(19), (20).

²⁹ Compare, e.g., Verizon FCC Tariff No. 1 § 21, Option 57(B)(16) with Verizon FCC Tariff No. 1 § 21, Option 57(B)(19).

³⁰ Each chart contains a summary tab and a detail tab. The detail tab shows the [[BEGIN CONFIDENTIAL]] [[END CONFIDENTIAL]] analysis that CenturyLink performed in order to determine Verizon's overcharges.

	32 [[END CONFIDENTIAL]]	
28. Category	6: Verizon failed to optimize circuit routing. [[BEGIN]	
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³¹ See, e.g., Ex. 14, Verizon FCC Tariff No. 1 § 21, Option 57(B)(14) (defining a DS1 Unit and noting that "Where the calculation of DS1 Units results in a fraction of a DS1 Unit, such fractions are not counted as a DS1 Unit").

³² Each chart contains a summary tab and a detail tab. The detail tab shows the [[BEGIN CONFIDENTIAL]] [[END CONFIDENTIAL]] analysis that CenturyLink performed in order to determine Verizon's overcharges.

³³ See Ex. 22, Verizon Tariff FCC No. 1, Section 7.2.13(A); Ex. 25, Tariff No. 11, Section 7.2.16(A); see also Ex. 22, Section 7.2.13(C) ("[Verizon] will engineer the service from the FMS entrance facility of the customer's designated primary premises to the Wire Center associated with the secondary premises over its own Special Access network.").